

Maize Outlook – May 2020

Maize or corn (*Zea mays*) is cultivated globally being one of the most important cereal crops worldwide. As per USDA, U.S corn exports reached 22.70 MMT in 2019-20 marketing year. At 1.05 MMT (for the period 17th- 23rd April, 2020) US corn exports were up 27 percent from the previous week but down 9 percent from the prior 4-week average; mainly for the destinations like Japan (405,000 MT), South Korea (263,200 MT) and Mexico (190,100 MT). In U.S, corn plantings as on 3rd May 2020 stand at 51%, up by 30 percentage points from same time last year.

Table 1: International Grain Council’s World Corn Projections (in million metric tonnes)

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	339.3	323.1	289.3
Production	1129.8	1116.3	1157.3
Imports	164.7	168.2	170.2
Total Availability	1469.2	1439.4	1446.6
Food	128.5	129.3	130.2
Industrial	302.7	306.4	315.0
Feed	675.0	675.6	688.5
Others	39.9	38.8	39.0
Total Consumption	1146.1	1150.0	1172.7
Exports	164.7	168.2	170.2
Ending Stocks	323.1	289.3	274.0

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

During the month of April, USDA increased its world corn ending stock estimates by 5.83 MMT to **303.17 MMT** for 2019-20 compared to previous month due to decrease in domestic consumption and also increase in production estimates for 2019-20 which could weigh on global corn market.

Table 2: International Grain Council’s Indian Corn Projections (in million metric tonnes)

	2018/19 (Estimated)	2019/20 (Forecast)	2020/21 (Projected)
Opening Stocks	2.0	1.5	1.1
Production	27.7	28.1	28.9
Imports	0.2	0.3	0.2
Total Availability	30.0	29.9	30.2
Food	7.0	7.0	7.0
Feed	15.1	15.3	15.5
Industrial	4.8	5.0	5.2
Other	1.1	1.1	1.3
Total Consumption	28.0	28.4	28.9
Exports	0.5	0.4	0.4
Ending Stocks	1.5	1.1	1.0

Source: <https://www.igc.int/en/markets/marketinfo-sd.aspx>

Table 3: Month-wise average prices of Maize at various markets

Market	2020-Apr	2020-Mar	2019-Apr	% Change from Prev. Month	% Change from Prev. Year
Delhi	Closed	1738	2246	-	-
Davangere	1345	1381	1994	-2.61	-32.55
Shimoga	1552	1462	2213	6.16	-29.87
Bagalkot	1271	1482	2131	-14.24	-40.36
Gadag	1420	1434	2049	-0.98	-30.70
Nizamabad	Closed	1686	1958	-	-
Khanna	Closed	1737	2179	-	-
Sangli (NCDEX Quality)	Closed	1595	2332	-	-
Gulabghat(NCDEX Quality)	1397	1806	2071	-22.65	-32.54
Naugachia	Closed	NR	1925	-	-
Erode (NCDEX Quality)	Closed	1634	2360	-	-

Source: www.agriwatch.com

In India, rabi maize was sown in around 16.98 lakh hectares as on 31st January 2020 which is higher than 14.78 lakh hectares covered during corresponding period of last year. Major maize growing states are Tamil Nadu (1.48 lakh ha), Bihar (5.05 lakh ha), West Bengal (1.10 lakh ha), Maharashtra (2.28 lakh ha), Gujarat (1.33 lakh ha), Telangana (1.49 lakh ha) and Andhra Pradesh (1.67 lakh ha) as of 31st January 2020.

In Telangana, it has been sown in 2.53 lakh hectares as on 29th April 2020 which is higher than 1.29 lakh hectares covered during corresponding period of last year. In Andhra Pradesh, maize has been sown in around 1.67 lakh hectares as of 31st January 2020 which is higher than 1.46 lakh hectares covered during corresponding period of last year.

As per trade sources, India imported around 57,255 MT of maize for the month of March '20. Out of this, around 46,635 MT was imported from Myanmar at Tuticorin (22,588 MT @ \$252.30 USD/MT), Kolkata port (13,863 MT @ \$265.20 USD/MT), Vizag (6,176 MT @ \$253.14 USD/MT), Mundra port (3,935 MT @ \$266.67 USD/MT) and Chennai (72 MT @ \$353.94 USD/MT), while around 10,620 MT was imported from Ukraine at Kandla port at an average value of \$196.51 USD/MT. India exported around 18,527 MT of maize for the month of March '20 at an average FoB of \$274.79/MT. Out of which, around 12,217 MT of Indian maize was exported mainly to Nepal at an average FoB of \$272.82/MT; mainly through Raxaul followed by Jogbani ICD and Sonauli ICD port.

Corn prices on CBOT fall by 11.52 USD/MT to 122.63 USD/MT for May '20 contract compared to last month due to uncertainty over economic fallout from corona virus. Rapid US

planting progress is likely to put pressure on CBOT corn prices. Besides, price direction also depends on the demand for US corn.

Maize Price Outlook

In Davangere, new crop arrivals of maize has just started and being traded at Rs. 1350 per quintal (Bilty Price). Also, it is being delivered to Nammakal at Rs. 1550 per quintal but in very limited quantity.

In Bihar, maize is being traded at Rs. 1200-1250 (Bilty Price) per quintal. Despite the demand of Rajasthan, U.P and Haryana feed makers; it could trade slightly weak amid arrival pressure. Any further fall is a good buying opportunity for stockiest and importers.

Telangana state government is actively procuring maize at Rs. 1760 per quintal. Earlier State Government announced that it will procure entire Rabi season crop of maize at MSP of Rs. 1760 per quintal, directly from farmers through village procurement centres over a period of 45 days.

Under these circumstances, Agricultural Market Intelligence Centre, PJTSAU expects that maize could trade in price range of Rs. 1550 - 1760 quintal during the month of May, 2020.